HC 157
.P8A4
1913

LIBRARY OF CONGRESS
COLLECTION OF BOOKS
BY COLORED AUTHORS

Porto
30

THE LIBRARY OF CONGRESS
1800

Class _____

Book _____

THE BEQUEST OF
DANIEL MURRAY
WASHINGTON, D. C.
1925

Porto Rico Official Economic Commission

618
407

PORTO RICO'S CASE

And the Tariff Bill

(A Memorial to the President and the Congress of the United States)

WASHINGTON, D. C.
1913

Puerto Rico. Official Economic Commission

Porto Rico Official Economic Commission

PORTO RICO'S CASE

And the Tariff Bill

(A Memorial to the President and the Congress of the United States)

WASHINGTON, D. C.

1913

HC157
.P8A4
1913

The bequest of
Daniel Murray,
Washington, D. C.
1925.

CONTENTS

CHAPTER PAGE

Preamble 5

Condition and development of Porto Rico, during the last ten years 6

The prosperity of the sugar and fruit industries in relation to the wellbeing of the working classes.... 14

The development of the industries under the protective tariff and its relation to the material prosperity and the moral progress of Porto Rico.... 17

Property values; general income of the Island 18

Public Education 19

Insular Roads 23

Health 25

The ruin of the sugar and fruit industries in Porto Rico, if sugar should be placed on the free list and the tariff on fruits reduced 28

Disastrous effect of the revision of the tariff, upon the condition of the laboring class, upon the moral progress of Porto Rico and upon the relations between the United States and Porto Rico.

The working class 40

The Insular Treasury 41

Cessation of progress in Porto Rico 43

Weakening of the relations between the people of Porto Rico and the people of the United States.... 44

The immediate conflict 46

Petitions 47

To the President and Congress of the United States of America:

We are a Delegation from Porto Rico, created by a Joint Resolution approved at the last session of our Legislature, and are charged with the duty of presenting to the National Authorities the economic problems of Porto Rico, as affected by the Bill to reduce the tariff duties and to provide revenue for the Government.

In our desire to make our position clear and the subject of our mission perfectly understood, we must state at the very beginning that we are here, not to represent and defend any private interests, but to represent and defend the general interests of the People of Porto Rico. We would have no great interest in the ruin or prosperity of the corporations and individuals that are engaged in the manufacture of sugar, in the cultivation and exportation of fruits, or in any other private business, were it not for the fact that the welfare and the prosperity of our Island, and the realization of our highest ideals, are seriously jeopardized by H. R. 3321, now pending before the Senate, and which contains several provisions affecting the life, happiness and prosperity of the Portorican people.

We are voicing the sentiments of the House of Delegates of Porto Rico, the only body elected by the vote of our people; of the local political parties; of the labor organizations of our country, and of all the people of our Island, who, at a public

hearing held by our Delegation in the City of San Juan, decided by unanimous vote to oppose the passage of H. R. 3321, with reference to those provisions which will affect the economic interests of Porto Rico.

We have referred to the economic interests of the Island, but we could very well refer to the social, political, moral and public interests of our people, for our desire is to show as emphatically as possible, not that certain industries will be destroyed by the change in the tariff, but that our progress of ten years in public education, in the building of new roads for our commerce and in the Sanitation of the Island will be destroyed, and we will become the poorest and most unfortunate people in America.

We do not desire to make such serious statements, without fully substantiating them, and with that end in view, we respectfully submit the following facts:

CONDITION AND DEVELOPMENT OF PORTO RICO DURING THE LAST TEN YEARS

Sugar and Fruits.—In 1900, two years after the occupation of the Island by the American Army, Porto Rico was passing through a very serious crisis, produced by three principal causes: the loss of the advantages granted to our coffee in the Spanish and foreign markets, as a consequence of the change of sovereignty and the application to Porto Rico of the American Tariff, without securing the American market as a substitute for the lost markets; a reduction of forty per centum in our circulating medium, owing to the difference in the exchange of our local money for American

money; the cyclone which devastated the Island in 1899, through the destructive effect of wind and flood.

Soon thereafter, in 1902, by virtue of a provision in our Organic Act and by a Proclamation of the President of the United States, free trade between the United States and Porto Rico was established and under such free trade the Island began to prosper and to recover from the effect of the crisis.

The application of the American Tariff to our importations from foreign countries, was very burdensome to Porto Rico, which was compelled to buy nearly all the necessaries of life in the United States at prices much higher than those offered by the European markets. Free trade with the United States did not benefit our coffee in any way, coffee being at that time our most important product, for the reason that coffee was already listed among those products upon which no tariff is levied in the United States, while the shipping of our coffee to Europe and Cuba was made difficult by reason of the high tariffs of those markets upon American products.

As a compensation for such injuries, the free trade with the United States offered us the protection of the American tariff for our fruits, and especially for our sugar.

The exportation of fruits was almost nothing in 1902; our fruit trees grew wild and from them we took the fruits that were necessary for our local trade and consumption. We did not begin to export pineapples until the year 1906, and grape fruit until 1907, as shown by the following statistics:

VALUE OF EXPORTS

YEARS	PINEAPPLES	ORANGES	GRAPEFRUIT	CANNED PINEAPPLES	TOTAL
1902	.....	$51,000.00	.....	.....	$51,000.00
1903	.....	230,000.00	.....	.....	230,000.00
1904	.....	352,000.00	.....	.....	352,000.00
1905	.....	125,000.00	.....	.....	125,000.00
1906	$27,000.00	295,000.00	.....	$42,000.00	364,000.00
1907	64,000.00	469,000.00	$7,000.00	65,000.00	605,000.00
1908	172,000.00	630,000.00	44,000.00	98,000.00	944,000.00
1909	442,000.00	401,000.00	76,000.00	117,000.00	1,036,000.00
1910	555,000.00	582,000.00	162,000.00	106,000.00	1,405,000.00
1911	641,000.00	703,000.00	309,000.00	149,000.00	1,802,000.00
1912	684,000.00	584,000.00	525,000.00	258,000.00	2,051,000.00

It appears from the above figures that the production of oranges during the years 1909, 1910 and 1912 was smaller than that of the year 1908, although the area of cultivation of said fruit was extended considerably; but the decrease in the exportation was due to the fact that during the last five years more than 300,000 boxes of oranges were left annually to decay on the trees, for the reason that the market prices have been so low that the planters knew that the proceeds of their sales would not cover the cost of packing and shipping, notwithstanding the protection of the Tariff.

Although the prosperity of the fruit industry is very great, the development and prosperity of the cultivation of cane and of the sugar industry is still greater.

In the year 1901 the area of cultivation of cane was limited to 82,678 acres, which, during said year produced 68,909 tons of sugar, with a value of $4,715,611.00; and the area of cultivation having been extended in the year 1902, our production was 91,912 tons of sugar, with a value of $5,890,-302.00, such being our maximum of production when free trade between Porto Rico and the United States was established.

After the establishment of free trade, the cultivation of cane and the manufacture of sugar developed so rapidly from year to year that at the present time our area of cultivation covers 209,378 acres of land, which during the year 1912 produced 371,075 tons of sugar valued at $31,544,-063.00. In other words, from 1902 to 1912 the area of cultivation has been trebled, while the production has quadrupled and the value of the crops has increased sixfold.

This difference in favor of the production and value of the crop, as compared with the area of cultivation, is due to four principal reasons: the improvements in the methods of cultivation, due to the introduction of new scientific methods, the using of better classes of seed and the proper drainage of the lands, after making the necessary studies and experiments in Experimental Stations and Laboratories; the use of fertilizers, to the extent of $1,221,454.00 last year, while in the year 1902 only $20,921.00 was expended: the installation of an extensive system of irrigation: the substitution of the old machinery by modern machinery for the manufacture of sugar.

We desire to make special reference to the last two items, that is, irrigation and machinery, on account of their high cost. In addition to the large sums laid out by the property owners for the irrigation of their lands, the Government of Porto Rico has negotiated and guaranteed a loan of about $5,000,000.00 to be paid by the benefited landowners for the irrigation of the lands on the eastern and southern parts of the Island. The purchase and installation of new machinery for the manufacture of sugar and for the cultivation of cane has cost not less than $25,000,000.00.

In a word, the Government and private enterprises have co-operated in the development of our sugar industry: the Government, by fostering and giving its support and help to an industry upon which the welfare of the country depends; and private enterprise, by reinvesting all the benefits obtained from the industry, in the development and enlargement of the same industry, and this has been done to such an extent that the many millions

produced by sugar during ten years of favorable conditions have not made any millionaires and the sugar growers of Porto Rico are still far from being rich. The reason for this is that the gold produced by the land has been converted into iron and steel for machinery and into water and fertilizer for the soil; and, above all, and as the most important benefit of all, as we will hereinafter show, the prosperity of the sugar industry has brought about a great improvement in the condition of the laboring classes of Porto Rico and an increasing general progress for the people of the Island.

General Commerce of the Island.—The development of the sugar industry did naturally affect the other industries, the circulating medium was increased, our credit was extended and the volume of our business considerably enlarged; but the beneficent effect of such development was felt to a greater degree in the commercial transactions, which were increased by the economic activities of the Island.

The figures following, taken from official statistics, will substantiate our statement:

YEAR	IMPORTATIONS	EXPORTS	TOTAL
1901	$8,918,136.00	$8,583,967.00	$17,502,103.00
1902	13,209,610.00	12,433,956.00	25,643,566.00
1903	14,449,286.00	15,089,079.00	29,538,365.00
1904	13,169,029.00	16,265,903.00	29,434.932.00
1905	16,536,259.00	18,709,565.00	35,245,824.00
1906	21,827,665.00	23,257,530.00	45,085,195.00
1907	29,267,172.00	26,996,300.00	56,263,472.00
1908	25,825,665.00	30,644,490.00	56,470,155.00
1909	26,544,326.00	30,391,225.00	56,935,551.00
1910	30,634,855.00	37,860,219.00	68,595,074.00
1911	38,786,997.00	39,918,367.00	78,705,364.00
1912	42,926,473.00	49,705,413.00	92,631,886.00

As shown by the foregoing figures, the sum total of our commerce has increased fourfold during the last decade, leaving a balance in favor of exportations of $639,793.00 in 1903 and of $6,778,940.00 in 1912. A perusal of the above figures reveals the fact that during the first years of prosperity for the sugar industry the balance of trade in our favor was very small as compared with the total sum of our commercial activities, due to the fact that a large quantity of machinery and agricultural implements, necessary for the manufacture of sugar and the cultivation of cane, were imported into Porto Rico. It may be affirmed without hesitation that the balance of our trade was distributed among the other industries, such as tobacco, without any part of it reaching the sugar industry, which, during all that time was investing in its enlargement and development sums much larger than the benefits obtained, with the result that the Porto Rican manufacturers are still largely indebted to the American manufacturers of sugar machinery.

Very nearly all our importations came from the United States; and of the $38,786,997.00 imported in 1911, only $5,012,734.00 were merchandise from foreign markets, while the remaining $33,774,263.00 were merchandise from the United States. During the year 1912 Porto Rico has bought from the United States over $40,000,000.00 worth of goods, covering very nearly all of our importations.

The sugar shipped to the United States constitutes sixty-three per centum of our exportations, and we must state, in conclusion, that during the year 1911 Porto Rico sold to the United States only 248,911 pounds of coffee, valued at $35,726.00, while our sales to foreign markets amounted to 33,688,080 pounds, valued at $4,957,053.00. Cof-

fee is already on the free list, and it has been sold at a reasonably fair price, only by reason of the economic speculations of Brazil; but as soon as that purely artificial cause shall be removed, the coffee industry of Porto Rico will find itself in a very critical condition, thus increasing the poverty of our country in the event that sugar should be placed on the free list. In the latter event, the two principal sources of wealth of Porto Rico will be left without any protection under the American Tariff.

THE PROSPERITY OF THE SUGAR AND FRUIT INDUSTRIES IN RELATION TO THE WELLBEING OF THE WORKING CLASSES

Porto Rico is one of the most densely populated countries on the globe; according to the census of 1910 it had 1,108,012 inhabitants upon its 3,606 square miles, or an average of 307 persons to the square mile.

The rural population according to the last census was 834,214, almost all of whom are day laborers or owners of small farms, the laboring population itself exceeding 700,000, of whom more than 400,000 depend upon the growing of cane and the manufacture of sugar and more than 50,000 upon the fruit industry.

This density of working population has produced serious conditions in epochs of disturbance in our industries. After the cyclone of 1899 and whenever tariff legislation has affected the prices of sugar so as to diminish the amount of work, a current of emigration has been started to Hawaii, Mexico and Panama, in which countries the Porto Rican immigrants have found themselves in such unfortunate circumstances that our Legislature has

upon several occasions had to vote money for their repatriation.

We have no authentic data as to the number of workmen employed in 1902 in the sugar and fruit industries, but from the small production of both articles that year it is manifest that the number of workmen on cane plantations and in sugar factories did not exceed twenty thousand, and in fruit culture five hundred, the latter in fact not being a special industry at that time. According to statistics of the Bureau of Labor of Porto Rico, in the year 1910 the average number of workmen employed by the sugar mills of the Island was 1,119, and there being 66 factories in operation that year the number of day laborers employed reached a total of 62,664. In 1912 the number of workmen employed in the factories reached 78,000 and, considering the extensive cultivation of fruits, 6,000 is a fair estimate of the number of workmen employed in this industry. Each workman represents a family, and on a basis of five persons to a family we find that at least 420,000 persons of the most needy class depend upon said industries, and upon the sugar industry alone, 390,000.

According to the official report made by Dr. H. K. Carrol under the date of December 30, 1898. the wages of the laborers on the cane plantations in Porto Rico averaged from 35 to 50 cents a day, local money, which, according to the change of money affected in 1899, was equivalent in American money to from 21 to 30 cents per day.

In the year 1910 (Bulletin of the Bureau of Labor of Porto Rico) the annual average of the wages of the same class of laborers was 62 cents a day, American money, and in accordance with the statement of Mr. Santiago Iglesias before this Finance

Committee in 1912, the daily wages varied between 60 to 70 cents per day. Many of the most capable of these workmen earn up to $2.00 per day. At the present time the wages of workmen employed in the cane and sugar industry have increased to from 70 to 80 cents per day.

The wages of the laborers employed in the fruit industry have advanced in the same proportion as above set out, due to the growth and prosperity of the industry under the present tariff rates.

Again referring to the bulletin of the Bureau of Labor of Porto Rico, we find that in the year 1910 the amount of money paid the laborers employed in the sugar industry was $10,370,542.56, and as the value of the sugar produced that year was $23,545,992.00, the cost of labor was 44¼ per cent of the total value of the product. The salaries of the employees in the administrative and technical part of the industry are not included in the percentage above mentioned, and if to the cost of labor be added the cost of fuel, irrigation, fertilizer, experimental stations, rents, taxes, and other expenses of the business, it will be evident that the profits of the farmers and manufacturers of sugar are not high, in proportion to the large capital invested.

From the foregoing a clear conception is given of the great benefit derived by the laboring classes of Porto Rico from the increase in the industries mentioned under the protection of the present tariff laws. This is also the understanding of the laboring men of Porto Rico and the only three organizations of laborers on the Island, namely, the "Federacion Libre de Trabajadores," a branch of the American Federation of Labor; the "Federacion Regional de Trabajadores" and "El Circulo Obrero de San Juan," have publicly expressed their opposi-

tion to a removal of the tariff on sugar, which for them would mean a return to their former state of misery.

THE DEVELOPMENT OF THE INDUSTRIES UNDER THE PROTECTIVE TARIFF, AND ITS RELATION TO THE MATERIAL PROSPERITY AND THE MORAL PROGRESS OF PORTO RICO

Property Values, General Income of the Island.

The immediate consequence of the development of the industries, under the protection of the tariff, was the increase of the property values and of the income derived by the Insular Government from the direct taxation of those properties.

We have before us the "Register of Porto Rico" for the year 1911, prepared by the Hon. M. Drew Carrel, Secretary of Porto Rico, and from page 160 thereof we copy the following:

> "Cane lands that could be purchased at the time of the American occupation for $30 an acre suddenly leaped to $100 per acre, and now are worth $200 per acre."

The above figures seem to be somewhat low, and it must be taken into consideration that at the time of the American occupation the native currency used in all commercial transaction was valued at forty per centum (40 per cent) less than the American currency, thus reducing to $18.00 in United States currency the price per acre fixed by the Secretary of Porto Rico, as prevailing in the Island at the time of the occupation. Large areas of land have been sold at $300 an acre, and even

at higher prices; and the lands adapted to the cultivation of fruits increased in value as the sugar lands became more valuable.

The personal property of the Island has increased in the same manner and the assessed value of the taxable property within the island has doubled as shown by the following figures, which have been furnished to us, under the date of April 21st last, by the Treasurer of Porto Rico:

Years.	*Assessed Valuation.*
1901-02	$96,420,769.00
1902-03	93,103,466.00
1903-04	93,331,459.00
1904-05	89,320,675.00
1905-06	93,386,344.00
1906-07	98,885,474.00
1907-08	108,035,416.00
1908-09	117,469,604.00
1909-10	122,312,922.00
1910-11	133,377,346.00
1911-12	163,315,755.00
1912-13	179,272,023.00

The commercial interchange was increased, our credit was extended, great activity stimulated our economic life, and, as a natural consequence of such prosperity, the revenues of the Government were increased by the progressive increase of the customs and internal revenues and of the direct property taxes.

To substantiate this statement, we requested from the Auditor of Porto Rico a detailed statement of the income and expenditures of the Insular Treas-

ury, and from the Auditor's report, dated April 30th last, we extract the following:

Years.	*Incomes.*
1902	$2,514,042.80
1903	2,817,281.47
1904	2,723,010.34
1905	3,729,547.56
1906	3,961,996.22
1907	4,269,528.54
1908	4,612,822.37
1909	4,621,287.37
1910	4,270,671.06
1911	5,140,426.13
1912	6,650,224.10

To the above we must add that during the last session of our Legislature from January to March, 1913, for the purpose of increasing the number of schools in the Island and building new roads, several laws were passed providing for the levying and collection of indirect taxes, which will add about $2,000,000.00 more to the Insular Revenues, the total of which for the next Fiscal Year will be in excess of $8,000,000.00.

With such means at its disposal the Legislature of Porto Rico has been able to make provision for the extension and betterment of the public service, and, above all, it has been able to attend to the necessities of public education, the building of new roads and the work of Sanitation.

PUBLIC EDUCATION

Nothing like figures will show our exact appreciation of the facts, and with that end in view we insert here the Statement recently furnished to us by the Commissioner of Education of Porto Rico:

STATISTIC OF SCHOOL BUDGET

FISCAL YEAR	INSULAR GOVERNMENT	SCHOOL BOARDS	TOTAL
1900-1901	$435,565.28	.....	$435,565.28
1901-1902	479,478.67	$118,209.69	597,688.36
1902-1903	563,138.64	159,972.66	723,111.30
1903-1904	595,591.79	182,583.11	778,174.90
1904-1905	622,835.92	220,364.26	843,200.18
1905-1906	609,114,44	259,193.38	868,307.82
1906-1907	650,935.00	257,859.00	908,794.00
1907-1908	752,537.25	340,774.54	1,093,311.79
1908-1909	848,817.11	437,485.98	1,286,303.09
1909-1910	825,339.88	419,161.89	1,244,501.77
1910-1911	878,635.00	403,691.57	1,282,326.57
1911-1912	980,375.28	386,434.88	1,366,810.16
1912-1913 (Estimated)	981,480.00	(Est.) 400,000.00	1,381,480.00
1913-1914 (Estimated)	1,442,490.00	500,000.00	
Additional Budget	528,250.00		2,470,740.00

Expenses of the University of Porto Rico.

The University of Porto Rico was opened on the first day of June, 1903.

During the year 1903-04 its expenses were $20,840.12.

There are no statistics showing in detail the expenditures for the fiscal years from 1904 to 1908, both inclusive, so as to enable us to state definitely the totals of the expenditures for each of said years, but the expenses subsequent thereto are as follows:

Fiscal year 1908-09	$91,827.62
" " 1909-10	96,088.98
" " 1910-11	105,000.44
" " 1911-12	151,969.10
" " 1912-13 (Estimates for the months of April, May and June)	237,418.19

During the year 1911-12, 160,657 children were enrolled in the public schools of Porto Rico; and the average daily attendance, during the years 1902 to 1911, is as follows:

Year.	*Number of Schools.*	*Average Daily Attendance.*
1902	833	29,457
1903	1,026	34,457
1904	1,113	41,811
1905	1,104	45,201
1906	1,135	45,417
1907	1,243	47,277
1908	1,509	57,117
1909	1,992	74,732
1910	2,450	84,258
1911	2,838	102,612

The report of the Governor of Porto Rico, to the Secretary of War, for the year 1912, shows that

during said year the average daily attendance of children to the schools was 114,834.

Our Legislature, at its last session, appropriated the funds necessary for the establishment of 600 additional schools which, based on an average of 50 children for each school, will provide school facilities for 30,000 more children, thus raising the average daily attendance of the public schools to approximately 145,000 children. But even this is insufficient when we consider that the population of Porto Rico is 1,200,000 inhabitants, of which there are about 250,000 children and 400,000 adults to be educated; and the oft expressed desire of our Legislature has been to increase from year to year the budget for public education, so as to place the people of Porto Rico upon the same intellectual level reached by the most civilized communities.

We have about 800 buildings owned by the Island and used exclusively for school purposes, and in which the kindergarten, rural, graded, night and High schools are established. We provide annually for seventy-five scholarships in American Colleges and Universities, for poor students; and also one hundred scholarships in our Normal School and a large number of scholarships for our High Schools and other schools up to the eighth grade.

We desire to make special reference to our Normal School, at Rio Piedras, which may be cited as a model among schools of its kind, by its curriculum, the learning of its teachers, its pedagogic efficiency and the activity of its pupils.

The Normal School constitutes a branch of the University of Porto Rico, which, among other important departments, embraces a College of Agriculture, a College of Mechanical Arts, a School of Pharmacy and a College of Law. The Hon. William J. Bryan, at present Secretary of State, visited Porto Rico and heartily endorsed our project of

establishing in our Island a Pan-American University, which should be the most potent factor in effecting the union and fraternity of all the peoples of our hemisphere, as the heralds of universal civilization. The Portorican people are anxious of attaining such glory, and the Congress of the United States should not deprive our people of the means necessary to accomplish that which would also be an honor and glory to the American people.

INSULAR ROADS

Porto Rico has made very notable progress in public works, and especially in the building of roads, during the last ten years.

In 1898 we had 284 kilometers of macadam roads, while we now have, according to the records of the Department of the Interior, 1,069 kilometers, almost all of which have been built since 1902, from which date the free trade existing between the United States and the Island has stimulated the development of all public improvements.

According to the books of the Auditor of Porto Rico, the sums expended for roads and bridges are as follows:

Years.	*Sums.*
1902	$552,045.17
1903	740,632.37
1904	635,431.51
1905	303,003.19
1906	280,415.92
1907	371,704.26
1908	954,193.90
1909	986,675.19
1910	314,410.44
1911	466,780.69
1912	696,295.33
Total	$6,301,587.97

The ordinary receipts of the treasury not being sufficient to meet such large expenditures, the Government of Porto Rico in 1906 issued bonds for $1,000,000 and later made another issue of $500,000 for the building of roads. The cost of road construction in Porto Rico is very high, due to the fact that the greater part of them have to be built in the mountainous regions which practically cover the whole Island. The cost of maintenance is also high on account of erosion and frequent landslides during the rainy season.

The construction of these roads was indispensable and there yet remain important public works to be done, due to the fact that there exists only one railroad line which is around the coast, with two short branches in level regions: the people of the interior regions, almost all of which are situated in the mountains and are dedicated to the cultivation of coffee, are badly in need of roads to the ports for the transportation of their products and merchandise, and for their own travel. Notwithstanding the great amount of work already done, there is yet a great loss in yautias, plantains, yams and other minor fruits, as well as in timber, for lack of means of communication and transportation between the ports and principal cities of the Island.

The last session of our Legislature upon establishing new tax schedule for increasing the revenue voted $726,500 for roads and bridges and $219,000 for school houses. It was and is the intention of our legislators, if the threatened death of our industries shall not be consummated, to expend a million dollars a year for public roads until the general net-work of our system is completed, and to continue assigning thereafter the same amount annually for their maintenance.

Yellow fever was endemic in Porto Rico, as in Cuba, when the United States Army took possession in 1898; but the work has been carried on so actively and with such satisfactory results in eradicating the causes of the disease that the morbose germs have disappeared from the country and no case of yellow fever has since occurred.

Immediately after the institution of our civil government and the proclamation of free trade with the United States, our Legislature and administrative Authorities, with the means at their command, due to increase of taxes, began the organization of insular sanitation, devoting large sums of money thereto in benefit of the public health.

The Government of Porto Rico soon had to combat energetically an old epidemic disease, the cause of which was unknown, and which affected at least two-thirds of the inhabitants of the Island, causing among the rural population a great loss of energy and a frightful mortality.

In 1900 Dr. Bailey K. Ashford, gratefully esteemed in Porto Rico, discovered on the Island, and for the first time in America, the existence of UNCINARIASIS, later recognized in some of your southern States. The germ of this disease is a parasite which attacks the intestines, producing a chlorosis which in no long period of time is mortal to the patient.

The campaign against UNCINARIASIS was begun in 1904 under the direction of Doctors Ashford, Gutierrez Igaravidez, Gonzalez Martinez, and other prominent Porto Rican doctors, lovers of their science and their native land. Our legislature in 1906 and 1910, and in latter sessions, voted hundreds of thousands of dollars for the fight against

this disease: an effective sanitary work was carried on throughout the Island, founding dispensaries and hospitals with a crusade of physicians which scattered over mountains and hills in the hunt for the afflicted in his own home and for the malady in its preferred centers. The result was so brilliant that, according to the bulletin published by Doctors Ashford and Gutierrez in 1911, 287,568 persons had been cured. The system adopted was so simple, wise and efficient that some Boards of Health of England and of your southern States have obtained copies for the purpose of studying and adopting them.

Rules were promulgated for the prevention of the invasion of this disease, sanitary conditions in the cities and country were modified and the great work continues unabated. In the year 1911-12 forty-three UNCINARIASIS Stations were carried on, 6,643 persons were cured and 16,473 cases were under treatment, only 63 deaths occurring.

At the same time warfare was waged against the mosquito which cause typhoid fever, aid was given to private associations combating tuberculosis, a bureau of contagious diseases was organized and the general hygiene of the Island was attended to.

Our Legislature has not yet perfected its work of sanitation, and at the session of 1911 a law was approved reorganizing the service by inaugurating a Department directed independently of the other administrative branches by a Director and a Board of Health; and in the session of 1912 the law was again corrected for the purpose of bettering the system and conceding greater independence and authority to the officials and the Board in charge of the Department. Unquestionably none of these things could have been done without increased ex-

penditures which in the last year amounted to $639,029.84. The Legislature of Porto Rico provided the necessary funds, considering that sanitation and education, cleanliness also of the spirit, are the institutions most essential to the life of States.

It seemed providential that our ideas and procedure had been thus when one of the most terrible of plagues endeavored to fasten itself upon the Island. In June, 1912, bubonic plague was declared to exist in San Juan and the Sanitary Service found itself provided with every means with which to combat and exterminate it: some isolated cases also appeared in the towns of Rio Piedras and Carolina and public alarm was immediately arrested by the most vigorous and successful campaign ever waged in any country against this deadly plague.

Three months later, with only three dozen deaths from the epidemic, the territory was absolutely free from this dreaded scourge. It is true that the public health service of the United States and the Marine Hospital Service sent most competent officials to our aid, meriting a most cordial vote of our gratitude; but this in nowise discredits the very efficient work of the Porto Rico Health Department.

A clear understanding of this work is to be derived from the vital statistics of the year 1912, in which, in spite of the appearance of the bubonic plague and of an epidemic of typhoid which was exterminated in the Municipality of Peñuelas, the number of deaths on the Island amounted to only 27,697, while the births totaled 39,874, or a difference of 12,177 in favor of births. The mortality on the Island was, therefore, 24 persons to the 1,000 in 1912, while in normal years it should not exceed 22 per thousand.

In March of this year the Legislature created a permanent Institute of Tropical Medicine, voted $120,000 for the establishment of seven District Hospitals, which are to receive each year the necessary running expenses, and adopted other measures tending to the betterment of health conditions, and other public services, not counting that in the future it might be deprived of the revenues with which to attend to the highest needs of the health of its people.

THE RUIN OF THE SUGAR AND FRUIT INDUSTRIES IN PORTO RICO, IF SUGAR SHOULD BE PLACED ON THE FREE LIST AND THE TARIFF ON FRUITS REDUCED

We will show in another chapter that the splendid work described in the foregoing chapters, and which refer to the most important branches of our Government, would be destroyed and the progress of our civilization retarded, if the Tariff Bill now before the Senate should be enacted; but before doing so we must prove that such a law would necessarily cause the destruction of said industries in Porto Rico.

We do not refer especially to the ruin of the present planters and manufacturers, unfortunate as it would be, for the reason that we are not representing such private interests, and lastly, because if the ruin of such planters and manufacturers were not unavoidably connected with the ruin of the plantations and the factories, the result would be a mere substitution of said planters and manufacturers by new planters and manufacturers who might with new capital continue the same line of business, without affecting in any way the interests of the public in general.

Rather than that, what we are going to demonstrate is, that, not only the planters and manufac-

turers, but the sugar and fruit industries themselves, will not be able to subsist in Porto Rico, if the Tariff Bill is approved as passed by the House of Representatives, and that the destruction of those industries will necessarily cause the economic destruction of our country.

At the present time sugar testing 96 degrees by the polariscope and produced in foreign countries pays, when coming into the United States, an import duty of 1.685 cents per pound, with a reduction of 20 per cent in favor of Cuban sugar, as provided by the Reciprocity Treaty between the United States and Cuba. Section 179 of H. R. 3321 provides for the collection during three years of a duty of 1.25 cents per pound on all foreign sugar, but this duty is reduced 20 per cent with respect to the Cuban sugar, by virtue of the Reciprocity Treaty, so that Cuban sugar will pay $1.00 and the other foreign sugar testing 96 degrees by the polariscope, $1.25 on each one hundred pounds, until the first day of May, 1916, and after that date sugar will be imported free of duty.

At the outset, we will state that, owing to the peculiar conditions of cane culture and of the sugar industry in Porto Rico, the limitation of three years provided for in the bill is practically of no benefit to Porto Rico, which, if the law is passed, would immediately begin to suffer nearly all the injurious consequences of the total elimination of the tariff on foreign sugar imported into the United States. The first crop of cane from seed (gran cultura), which gives the largest yield in Porto Rico, takes eighteen months to develop and yields two crops in three years, but as the greater part of the sugar manufactured in Porto Rico is sold during the months of May and June, and sugar, under the provisions of the pending Bill would be placed on the

free list from and after the first of May, 1916, our Island would sell under the protection of a tariff practically only one more crop. Long plantings (gran cultura) are made during the last three months of the year, and consequently the planting made this year would produce the first crop in the year 1915, that is, eighteen months after planting, and that crop of 1915 would be the only one that could be shipped to the United States under the protection of the tariff. A second crop from such canes could be obtained during the first months of the year 1916; but, although many planters do not cultivate the ratoons from the long planting, even if such crop could be cut and ground before May 1st, 1916, it is evident that the price of sugar of 96 degrees at any time during said year 1916, due to the approaching suppression of the tariff, would be as low as if the tariff had been actually removed from the first day of the year.

For the above reasons, and because the placing of sugar on the free list is what we consider to be disastrous to Porto Rico, we will discuss the subject from the standpoint of the complete removal of the tariff within the period of time fixed by the proposed law.

The cost of production of a ton (short ton) of cane in Porto Rico, is as follows:

Cultivation, work and materials	$1.50
Irrigation	0.36
Fertilizers	0.90
Taxes on the land	0.07
Management	0.10
Cutting and transportation to loading station	0.65
Loading	0.10
Hauling to the factory	0.36
	$4.04

The following is the cost of the manufacture into sugar of a ton of cane, and of the transportation of the sugar from Porto Rico to New York:

Manufacture of 210 pounds of sugar produced by a ton of cane, on the basis of yielding of 10½ per cent	$0.73.50
Transportation of 210 pounds of sugar to the shipping port	0.29.40
Transportation of 210 pounds of sugar from Porto Rico to New York	0.31.50
Warehousing, selling commission, and weighing of 210 pounds	0.23.10
	$1.57.50

The above figures refer to the cost of cultivation of a ton of cane and the cost of manufacture of 210 pounds of sugar, which is the average yield of a ton of cane.

In order to find the cost of production of 100 pounds of sugar, it is necessary to deduct 52.38 per cent from the cost of production in the following manner:

For cultivation and expenses incidental thereto	$1.92
For manufacture and expenses incidental thereto	0.78.33
	$2.70.33

Hence, each hundred weight of Porto Rican sugar sold in New York represents a cost of $2.70.33 In calculating the average above set out, we have taken the most conservative figures so as not to fall into misstatements, and they agree with facts known to us and information received from careful investigation. We have not included in those figures the cost of rent of lands, interest on invest-

ment, impoverishment of land or depreciation of machinery. These should in reality be taken into consideration, but we have not considered them because we wanted to confine our calculations of the net cost of production of our sugar within the most narrow limits possible.

Moreover, if to the average of $2.70 net cost of production and transportation of a hundred weight of our sugar to market we add, as should be done, interest on the capital invested in the industry and the depreciation thereof by the use of the lands and machinery, we are safe in saying that the cost of production, manufacture and transportation per hundred-weight of Porto Rican sugar is not less than $3.00.

The average price per hundred pounds of sugar of 96 degrees in New York, according to statistics for a long period of years, is $3.50, which, of course, includes the tariff of $1.35 on Cuban sugar and $1.685 on other foreign sugar.

If sugar is placed on the free list it is reasonable to suppose that the price will be lowered by an amount equivalent to the present tariff, not due solely to the elimination of the duties but to the stimulation of production, on account of free entry, in Cuba, Santo Domingo, and other foreign countries which can produce sugar more cheaply than Porto Rico. The quantity produced will determine the quantity offered and this in turn the reduction in price.

Thus, if from the average of $3.50 per hundred pounds of sugar, under the protective tariff be deducted the amount of duty included in that price, namely, $1.35 for Cuban sugar and $1.685 for other foreign sugars, it results that Porto Rico under free importation of sugar would have to sell at $2.15

to compete with Cuba and at $2.82 to compete with Santo Domingo and other foreign countries. But if the cost of production in Porto Rico is $3.00, the sale of each hundred pounds of sugar would entail a loss of $0.85 if calculated as competing with Cuban sugar and of $1.18 if calculated as against other foreign sugars. And even if it should appear that the average that we have taken for the price of sugar in New York is low, yet if that average should be raised to any figure that is not absurd, under free trade conditions, the sugar producers in Porto Rico would have to suffer loss.

We have seemingly spoken for the growers, that is to say, the manufacturers and sellers of sugar; but an analysis of the matter with reference to the growers themselves, to those who plant for the sugar mills, to the small land owners of Porto Rico, the misfortune is incomparably greater. We do not want to repeat a prolix analysis of the cost of cultivation, cutting and transportation of cane; but it is sufficient to call attention to the fact that the grower in his contract with the factory receives from 5½ to 6 per cent of the gross weight of his canes in sugar and that from this he not only has to pay the cost of cultivation but also the interest which fluctuates between 9 and 12 per cent per annum on the loans that he has to make for the purpose of attending to the cultivation as well as living expenses. And it is the grower also who has to suffer the frequent losses of the crops caused by bad weather or by plant diseases.

These cultivators of the lands would be the persons most seriously affected by the removal of the tariff on sugar. Their number exceeds the sum of 46,000, according to the last official Census. while the number of factories is less than fifty. This is one of the peculiar conditions of Porto

Rico, where the land, with some exceptions, is divided into small farms held by their owners or by leaseholders.

Two arguments could be presented against our statement that the sugar industry will be ruined if the protective tariff is removed. One of those arguments is, that before free trade between Porto Rico and the United States was established, Porto Rico was in the same condition in which it would find itself, if free trade, with regard to sugar, was established between the United States and all other countries; and the second argument is that, if Cuba, Santo Domingo and other tropical countries are able to manufacture and sell their sugar, with a profit, in the United States, under free trade, Porto Rico should be able to do likewise under similar circumstances. Both arguments are specious and fallacious and may be successfully answered.

It is true that prior to the year 1902 Porto Rico did not enjoy the advantages of free trade with the United States; but it is also true that it was not subject to the burden of the American tariff which was applied in the Island to foreign importations. We bought rice, potatoes, beans and all the necessaries of life consumed in the country, and also textile fabrics, machinery and the principal manufactured articles at very low prices in Europe; but after the establishment of free trade and the application of the American tariff to Porto Rico, we were compelled to buy the same articles, in the United States, at "domestic prices," that is, at a price much higher than the one formerly paid by us in Europe. Of rice alone we purchase over $5,000,000.00 annually in the United States; and during the year 1911 our purchase in the United States amounted to $40,000,000.00. Consequently, the cost of living has become so high that it has

been only due to the prosperity of certain industries, and particularly of the sugar industry which has benefited all the social classes of Porto Rico, that we have been able to stand the cost of living in our Island.

It matters little that the Tariff Bill provides for a reduction of the tariff on certain articles, such as rice, which is greatly consumed on the Island, and which reduction is expected to cause a gradual reduction of prices. Neither the proposed reductions are sufficient to put the American products on the same level with those of other countries, nor are there in the pending Bill any material reductions on the greater part of the articles most largely consumed in Porto Rico.

The cost of living in Porto Rico will continue to be enormously high, owing to the tariff on our importations; and, if sugar is placed on the free list, where coffee is already, inasmuch as sugar and coffee are our two leading articles of export, we will be compelled to buy our necessities at exceedingly high prices and to sell our products at exceedingly low prices, placing us under unbearable economic conditions.

We might enter into a discussion of and perhaps we would be ready to accept the doctrine of free trade, universally applied; but the merits of such doctrine is not involved in this argument, for the reason that the Bill pending before the Senate does not provide for absolute free trade and is merely an eclectic combination of free trade and protection under which the products of Porto Rico will have absolutely no protection in the United States, while the American products will be protected when imported into Porto Rico.

Regarding the argument of the equality of conditions in Porto Rico, Cuba and Santo Domingo

and other sugar producing countries, we simply say that such quality does not exist and that the argument has no force.

Such equality does not exist, for the reason that the lands in Porto Rico have become exhausted by intense cultivation during several hundred years, during which the farmers have been obliged to extract from the soil of a small but densely populated island an excessive production necessary for the subsistence of its inhabitants. In Cuba and Santo Domingo there are large areas of virgin lands adapted to the cultivation of cane, while in Porto Rico there is not an inch of cane land idle; in Santo Domingo and Cuba the planting of cane alternates with the grazing of cattle, which improves the lands; while in Porto Rico the same lands have to be used year after year for the cultivation of the same product; in Cuba and Santo Domingo the plantings of cane yield from 8 to 12 crops, while in Porto Rico they yield two crops at the most; the cost of production in the other Islands is lower than that of Porto Rico; and lastly, the other West India islands will sell their sugar in the United States, under the same conditions as Porto Rico, that is, without paying tariff duties, but they will not be compelled, as Porto Rico will, to buy their importations in the United States, being able, because of their economic independence, to buy in the markets giving them lower prices.

Persons who are not acquainted with the nature of the lands now used in Porto Rico for growing cane have suggested the substitution of cane for some other product, such as rice or others. Our cane lands, as admitted by all those who have studied the conditions of our soil, do not contain sufficient moisture for the planting of rice and are

proper only for the cultivation of cane or the grazing of cattle.

The raising of cattle and breeding of horses on the lands now used for the cultivation of cane was some years ago a source of wealth in Porto Rico, our cattle being exported to Cuba, Venezuela and other points under the advantages granted to us by the Spanish tariff; but under the present circumstances said business would be reduced to supplying the local market, as we would be unable, owing to the cost of production, to enter into the competition sustained by the Argentine Republic and the western States of the United States for the supply of a large part of the world.

At the present time an import duty of one per cent per pound is levied on all importations of oranges and grape fruits. The Underwood Tariff Bill modifies the tariff in this form:

18 cts. on each box not exceeding 1¼ cubic feet.

35 cts. on each box not exceeding 2½ cubic feet.

70 cts. on each box not exceeding 5 cubic feet.

½ cts. per pound on boxes of more than 5 cubic feet or in bulk.

From the rate fixed for importations in large boxes and in bulk, it may be inferred that the intention of the framers of the Bill has been to make a reduction of 50 per cent on the existing tariff by making the tariff ½ cent per pound. In that case the proposed rates are not harmonious. The boxes used in Porto Rico for the packing of oranges and grape fruit have a capacity of exactly two cubic feet and weigh 80 pounds, hence a cubic foot contains 40 pounds and a box of 1¼ cubic foot contains fifty pounds of fruit. If the tariff on 50 pounds is 18 cents the rate per pound will be 0.36

cent, representing a reduction of 64 per cent on the present tariff. Very few packers use the 1¼ cubic foot box, and the boxes most commonly used are those measuring 2 and 2½ cubic feet. A box of fruit of 2½ cubic feet, weighing 100 pounds, would pay, under the Underwood Bill, 35 cents, and consequently all packers would use the 2½ cubic feet box, thus getting the benefit of a lower rate.

The reduction of the tariff would practically be 65 per cent, that is, 52 cents on each box similar to those used in Porto Rico.

In regard to pineapples, the Underwood Bill reduces the existing tariff from 8 to 6 cents a cubic foot. The proposed change is not so important as the one affecting oranges and grape fruit, but it will be sufficient to stop the progress of the industry of canning pines, now in its infancy in Porto Rico, on account of lowered duty on canned goods giving impetus to production in Singapore.

A reduction of the tariff on said fruits would stimulate the importation of oranges from Spain, Italy and Jaffa, and of pineapples from Cuba and India, causing an immediate reduction in prices, with the result that the orange industry would have to be abandoned in Porto Rico because it could not in any way enter into competition with those countries where the cost of production is lower than in our Island.

At the present time the production of California, Florida and Porto Rico, which are the purveyors of oranges and grape fruit to the American market, being well known, we are able to make our distribution in accordance with the demands of the various markets, thus obtaining more satisfactory prices and preventing the decay and consequent loss of fruit when any market is oversupplied. Such

precautions will become impossible when we shall be confronted with the uncertainty of the quantity of fruit to be imported from Spain, Italy and Jaffa, and which countries would be able to import enormous quantities to the prejudice of all.

The principal object of the changes proposed in the Underwood Bill, in trying to favor importations, cannot be other, and it has been so proclaimed by its supporters, than to reduce the cost of living of the poor classes in the United States.

We do not care to discuss at this time whether such object will be attained, especially in reference to sugar, the price of which is regulated by the refiners, who have monopolized the market; but we must state, with reference to fruits, oranges, grape fruit and pineapples, that they are not necessaries of life, but rather articles of luxury and refinement, and as such, the import duties on them should be increased rather than reduced, within the spirit of the Underwood Bill. The American laborer may consume pears, strawberries and apples at a price as low as is permitted by the extensive production of the country; but those who, after satisfying their necessities, wish to consume exotic fruits, such as pineapples, or others scarcely produced within the country, as oranges and grape fruit, should pay for the refinement of their taste.

The destruction of the fruit industry and especially of the sugar industry, will have upon the commerce of Porto Rico, upon our business and economic life, an effect exactly the contrary of that which their development and prosperity had upon the general prosperity of our Island; that is, what has been prosperity and progress, under the existing tariff, will be ruin and destruction of the principal products of Porto Rico, under the revised tariff.

DISASTROUS EFFECT OF THE REVISION OF THE TARIFF UPON THE CONDITION OF THE LABORING CLASS, UPON THE MORAL PROGRESS OF PORTO RICO AND UPON THE RELATIONS BETWEEN THE UNITED STATES AND PORTO RICO

The Working Class.

We have shown elsewhere in this brief, by authentic figures, that in the year 1912 there were 78,000 day laborers employed in the sugar industry and not less than 6,000 on the fruit farms of the Island, and that, each workman representing a family of five persons, 420,000 people of the most needy class of our community depend upon those industries. Those figures refer exclusively to the workmen directly employed in the sugar factories and on the fruit and cane plantations; but when we consider that the ruin of these industries would cause a general stagnation of all business on the Island, the total working population of Porto Rico, which represents two-thirds of its population, would be dragged down by the economic disaster.

The average wage which is now 60 to 70 cents per day, according to the reports of the Bureau of Labor and the representative of the American Federation of Labor, in Porto Rico, would fall to the rate of 21 to 30 cents which prevailed, according to the official report of Dr. Carroll previously referred to, prior to the extension of the American tariff system to Porto Rico. With a wage as low as above indicated the Porto Rican laborers would have to supply their wants under more precarious conditions than existed at that time, because the necessaries of life in Porto Rico are more dear, due to the tariff, which would continue protecting the American importations into Porto Rico while leaving without any protection whatsoever the exportations to the United States.

After having become accustomed to the improvement of their unfortunate situation in their efforts to earn a livelihood, would it be possible for the Porto Rican laborer to quietly accept a return to a condition of misery? Would not the conflict of social inequality, which is the most formidable menace of the modern era, establish itself in Porto Rico with all the horrible characteristics of a conflagration without a remedy?

THE INSULAR TREASURY

The principal industries ruined and commerce abated, the impoverishment of the country would of its own force determine the reduction in the treasury receipts. The cane lands which are now valued at $150, $200 and up to $300 per acre, would be reduced to their former value of $20 to $30; a like decrease would occur in the lands dedicated to fruits: urban and personal property would be affected likewise; commerce woould have to very largely reduce operations; and, in short, by the interlinking of economic enterprises, the taxation of the properties of the Island which in 1912 amounted to $179,272,023.00 would be reduced to the level of 1902, when it only reached $96,420,769.00.

As a consequence, since the system of taxes in Porto Rico is based on a tax of 1 per cent of the property valuation, the direct taxes of the treasury would be reduced in proportion to the value of the property. The indirect taxes, internal revenues, would suffer a similar diminution on account of the decreased business activity and the reduction of the consumption of the articles taxed, and the general income of the Island would not even reach the two and a half millions of dollars of 1902 prior to the establishment of free trade between Porto Rico

and the United States. We repeat that the taxes would not reach the amount collected in 1902; because, on account of the reductions which the Underwood Bill makes upon certain articles, which Porto Rico imports for consumption, the custom duties would be reduced by $397,778.00 per year according to an estimate which we have obtained from the Custom House at San Juan.

To this reduction, due to the changes in the tariff, it would be necessary to add a reduction of duties upon many articles imported into the Island which are not prime necessities and the consumption of which would be greatly reduced, by the impoverishment of the Island.

In this situation the Government of Porto Rico, depending solely upon its annual revenues of $2,000,000.00 to $2,500,000.00 to cover its expenditures for public service, which amount to about $8,000,000.00, according to the budget approved by the last Legislative Assembly, would find itself forced to either of two alternatives; namely, to maintain the public services inaugurated by raising the tax rate from 1 to 4 or 5 per cent upon the value of property, or to reduce to the lowest possible limit these public services. The first alternative is impossible because property in Porto Rico cannot support such a heavy tax; the second would mean the complete destruction of the material and moral progress of the Island.

In addition to such a large deficit between the income and expenses of the Insular Treasury, it would be necessary to provide the payment of the loans made upon bonds placed by the Government under the guarantee of the People of Porto Rico.

Among these loans is one for $5,000,000.00 for the building of a large irrigation system on the

southern and eastern parts of the Island. This sum is to be paid by the cane growers, who would benefit by the irrigation, under the rules fixed by the law authorizing the loan which was guaranteed by the People of Porto Rico. If the cane industry is destroyed by the placing of sugar on the free list the growers cannot pay the loan and the Government would have to levy on and sell the farms to collect the debt in the same manner that it does to collect taxes; but, meanwhile, the Government would have to pay the interest from year to year in fulfilment of its guarantee.

The People of Porto Rico will pay honestly and under whatever conditions may arise all of its obligations, but our people would be reduced to desperate circumstances to make the sacrifice.

CESSATION OF PROGRESS IN PORTO RICO

We have described in the foregoing paragraphs the splendid work of our people, during the last ten years, in Education, Public Works, Sanitation and in other public services which are necessary to the life of a civilized community. All such progress would be destroyed, by reason of the lack of sufficient revenues with which to continue or even maintain it.

How could we cover our budget of $2,470,740.00 for public education alone, voted by our Legislature at its last session, if the general income of the Insular Treasury for all governmental purposes will not even reach such sum, as soon as we are thrown into financial distress by leaving our industries and our agriculture without a reasonable protection under the American Tariff?

By the expenditure of $2,500,000.00 we are able to provide school facilities and education for

200,000 children; and as it would be impossible for us, in the event that we so much fear, to appropriate more than one-fourth of the sum needed, the result would be the closing of the greater part of the schools, thus leaving 150,000 children without school facilities and uneducated.

The closing of the schools would be an emergency so bitter and of such importance to the life and future of our country, that we cannot conceive that the Government of the United States will fail to find a remedy for such an imminent and serious danger, either within the protection of the tariff or outside of the tariff.

Having stated that our highest ideal, the education of our children, will be made impossible, it seems useless to repeat that our public works will have to be abandoned; that our public roads already built will deteriorate if there is no money to be expended in their repair and maintenance; that the Sanitation Service of the Island will have to reduce its sphere of action; that patients will have to be taken out of the hospitals, in the same manner as children from the schools, and in a word, that the people of Porto Rico will be seriously affected in its health, dignity, welfare and culture.

WEAKENING OF THE RELATIONS BETWEEN THE PEOPLE OF PORTO RICO AND THE PEOPLE OF THE UNITED STATES

Our Island finds itself in a most unique situation; it does not constitute a part, and yet it is not outside of, the federation forming this great Repubulic. Considering this ambiguous situation, and the high ideals with which the people of the United States must inspire its fraternal relations with the other peoples of the American hemisphere, it would seem

most wise to foment the harmony and community of interests and the mutuality of ideals between your great Republic and our little Island.

There is nothing more disturbing of the public relations between peoples, than those causes which produce economic disturbances; and something ought to be done to prevent said causes from affecting in any way the sentiments of fraternity existing between the American and the Porto Rican peoples.

Porto Rico cannot be prosperous and progressive, as it has the right to be, if left without protection under the American Tariff and subject to the disadvantages of the tariff which protects all American commodities imported into Porto Rico.

We do not pretend that the people of the United States should be sacrificed for the benefit of Porto Rico, nor do we admit that the Porto Rican people should be sacrificed for the benefit of the American. Between the two injustices, if such they be, we must seek justice elsewhere. If you cannot do us justice within the provisions of your revenue laws, you must do us justice even outside of said laws. If your Tariff cannot afford us any protection, then grant us our economic independence and allow us to seek our own protection in the rest of the world.

But, if you do not do either of the two things, if you do not save Porto Rico from disaster, either by the protection of the Tariff or the grant of its economic independence, misery and misfortune will unavoidably affect the sentiments of our people and the ties of union between your country and ours will be weakened, contrary to the interest and high ideal of the United States, in its relation with the rest of America.

The mere threat of the possibility of sugar being transferred to the free list, or the tariff on it reduced, has been sufficient to cause a disturbance and paralyzation of business in Porto Rico.

The buyers of sugar in the United States are exacting from the sellers of Porto Rico a deposit or security for a part of the purchase price equal to the present import duties on sugar. Consequently, the purchasing houses of Porto Rico require from the sugar manufacturers and the latter from the cane growers, the same security. But, inasmuch as it is not known with certainty when the bill will be approved and when it will go into effect, it is impossible to fix the period of guaranty for the sales, and in such situation, the present sugar crop in Porto Rico cannot be marketed, business is at a standstill, credit is withdrawn and money is not in circulation.

Great damage has already been caused, but it may be atenuated, if in the event of the tariff on sugar being modified, the law should not go into effect for a shorter period than sixty days after its passage, thus giving the time necessary for the sale of the sugar already manufactured, under the same conditions under which it was manufactured. If the law should provide for its taking effect on and after the 31st of December of the present year, the sugar producers of Louisiana, Hawaii and Porto Rico, would at least secure a concession from Congress, which would lessen the effect of the treatment accorded to one of the most vital elements of American industry.

In consideration of the foregoing statements and arguments we now formulate our petitions as follows:—

First Petition—Tariff on Sugar. We pray, that in the event that a reduction of the import duty on 96° test sugar should be deemed absolutely necessary, the said reduction be made gradually, down to the minimum limit of one cent per pound, which shall remain as the permanent duty on sugar. Even though the immediate reduction of the tariff to the limit of one cent per pound, would seriously affect Porto Rico, we could accept a reduction down to the said limit, if the provision of H. R. 3321 placing sugar on the free list at the end of three years is eliminated from the Bill. In any case, we earnestly oppose the free importation of foreign sugar; and in the event of any reduction of the present tariff being made, we pray that the law be made so as not to go into effect until at least sixty days after its passage, so as to avoid serious losses in the sale of the present crop in Porto Rico, where the cultivation and the manufacture were conducted under prices and conditions justified by the protection of the existing tariff. This petition with reference to the date for the law to take effect is an absolute necessity in view of the economic crisis through which the planters, manufacturers, merchants and the whole community of Porto Rico are passing at the present time.

Second Petition—Tariff on Fruits. We request the maintenance of the present duties on the importation of oranges, grapefruit and pineapples in order that this industry may not be strangled in its infancy in Porto Rico, as well as in other American States.

Third Petition—Protection of Porto Rican Coffee in Treaties with Other Nations. Coffee is one of the articles which, for a long period of time, has been admitted free of duty into the United States. At the time when it was placed on the free list coffee was not an American product, as it has been since the occupation of Porto Rico in 1898, which Island has had to suffer the consequences of a condition existing prior to its new political situation.

Therefore, since that misfortune cannot be avoided and would seem to be remediless, owing to the inclination of the Government towards free trade, we request the Government of the United States, in the negotiation of new treaties or the renewal of existing ones, with other nations, to include Porto Rican coffee among the most favored products in reciprocity agreements.

Fourth Petition—Placing on the Free List of Articles of General Consumption in Porto Rico. In case the tariff shall be reduced or removed from sugar, we request that the free list be extended to include rice, cod-fish, wheat, beans, lima beans, olive oils, butter, cotton and woolen goods, jute bags, utensils made of iron, glass, earthenware, chinaware, farming implements, machinery and other products of general use in the Island, to compensate, in a measure, for the impoverishment of the country, by reducing the cost of living.

Fifth Petition—Declaration of all the Ports of the Island as Free Ports for the Importation of all Classes of Merchandise Free of Duty. We here reproduce one of the requests

of the Resident Commissioner from Porto Rico, the Honorable Luis Munoz Rivera, presented in his address to the House of Representatives on the 28th of April of this year.

Holland, Great Britain, Denmark and France are preparing their West Indian possessions for the great mercantile traffic that the opening of the Panama Canal will stimulate, and have set aside large sums of money for the building of dry-docks, piers, arsenals, coaling stations and other conveniences for stopping places of vessels. The United States Government has done nothing yet along this line, in regard to our Island, and the declaration of our ports as free ports would be of great advantage to interoceanic commerce and would also aid us in the solution of our economic problems.

Sixth Petition—Economic Independence of Porto Rico, in case it shall Remain Without Efficient Protection of its Principal Products. As a last request we ask that we be granted the authority to make our own custom laws, to establish commercial alliances with other nations and to seek, wherever they may be obtained, the advantages that the United States cannot give us.

Perhaps, under the present conditions of production, marketing and consumption of sugar in the world, it would not be possible to effect a commercial alliance that would protect our sugar industry, but it is certain that in France, Germany, Spain and other countries we can obtain tariff preferences for our coffee and other products of the Island.

The very peculiar situation of Porto Rico, in that it does not form a part of the United States, leaves the Government with full constitutional authority

to permit our Government to protect itself when no one else can, should or desires to protect it.

We respectfully submit these matters to your consideration and confide in God, your sense of justice and our own rights.

WASHINGTON, D. C.,
May 17, 1913.

Delegation representing the Economical Interests of Porto Rico.

JOSE DE DIEGO,
Speaker of the House of Delegates of Porto Rico; Chairman.

MARTIN TRAVIESO, JR.,
President of Executive Council of Porto Rico; Vice-Chairman.

ANTONIO R. BARCELO,
President of the Porto Rico Association.

CARLOS CABRERA.
HECTOR H. SCOVILLE.

LB May '15

MARC 4

Puerto Rico. Official Economic Commission.

Porto Rico's case and the Tariff Bill (a memorial to the president and the Congress of the United States). Washington, Porto Rico Official Economic Commission, 1913.

50 p.

20 cm.

ad 25my72 jham

LIBRARY OF CONGRESS
0 009 109 298 0